



cc: BOS

Economic Development  
Committee

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**INTERDEPARTMENTAL COMMUNICATION**

**To:** Board of Selectmen

**Date:** November 22, 2002

**From:** Economic Development Committee

**Subject:** EDIC - Next Step

Dear Members of the Board of Selectmen,

The Economic Development Committee is pleased to present a proposed Scope of Work for the Economic Development and Industrial Corporation (EDIC) and requests a brief meeting with you to set further direction.

As you know, the process of establishing an EDIC has been proceeding for several years. The Legislature has approved the Home Rule Petition late in 2001. Since our last meeting with you, consultations with Town Counsel, and further study, we feel the next steps are:

1. Petition the Town Meeting for acceptance of the legislation
2. Appoint the EDIC's Board of Directors
3. Write the Economic Development Plan
4. Petition Town Meeting to accept the Economic Development Plan

The EDC hopes to accomplish the first of these steps at the next Town Meeting in April 2003. As you remember, there was some confusion as to who was supposed to write the Economic Development Plan; it has now been established, at least in a technical sense, that the Board of Directors of the EDIC must do this, so it will not be possible to accomplish steps 1 and 4 at the same Town Meeting.

In the meantime, the EDC has established a Proposed Scope of Work for your consideration (see enclosed). The purpose of this document is to describe the basic goals and scope of the EDIC so that there is general agreement on these matters, before we ask the Town to accept the legislation. Since, at that time of the Town Meeting vote, the Economic Development

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PLEASE NOTE.

Plan (essentially the EDIC's charter), will not yet have been approved by the Board of Directors, this document can be used as the basis of explanation for the warrant article.

We respectfully request a brief meeting with you, for the following purposes:

1. To discuss the Proposed Scope of Work;
2. To establish a timeline; in particular, to decide whether to ask the Town to accept the EDIC legislation in April;
3. To decide who ought to "write" the Economic Development Plan. Technically, the EDIC and its Board have to do this. However, the Selectmen can decide between this option and another: to have the EDC write the plan, and to make appointments to the Board of Directors conditional upon acceptance of the plan, after which, the Board would essentially rubber-stamp a pre-packaged Plan. This option has two advantages: it probably would lead to a faster establishment of a working EDIC because the Plan could be written simultaneous to the interviews and appointments to the Board; and it would also enable the Selectmen to maintain more control over the specifics of the plan. (Please note that there is still some confusion over exactly what the legislation requires the plan to look like, in particular, the degree of project specificity required. We have received some comments from Anderson & Krieger, but more is required).
4. To receive your comments on all aspects of this process.

We are looking forward to meeting with you at your earliest convenience.

Sincerely,

The Economic Development Committee



# **Acton Economic and Industrial Corporation**

## **Proposed Scope of Work**

### **I. Context**

The Economic Development portion of the Master Plan Update reads, in part:

Goal: Promote current and new commercial development within the context of the Master Plan by strengthening the tax base to reduce the burden on residential taxpayers.

Objective: Support commercial and industrial growth that will fit in Acton and contribute to the community's quality of life and fiscal stability.

- encourage commercial and industrial development
- attract new businesses
- increase the diversity of new enterprise
- increase commercial, industrial, and personal property (C/I/P) revenues to 20% [of the Town's tax levy] within the next five years.

Objective: Support the concept of village and business districts by encouraging businesses of appropriate scale that will contribute to a mix of activities.

### **II. Purposes**

1. To lessen the residential tax burden by increasing the base of business assessment.
2. To allow the Town to exert proactive control over the type and quality of development within the Town.
3. To encourage development in the Town which is consistent with the wishes of the Town, as defined by the Master Plan Update.
4. To encourage development consistent with the Master Plan in those cases where the market may not provide such.
5. To take advantage of sources of state and federal economic development funding which are otherwise not available to the Town.

### **III. Proposed Scope**

1. Methods of development: any of the following, and others, are possible:
  - buying land for the purpose of development, sale, lease, or other financial arrangement
  - buying developed properties for further improvement, sale, lease, or other financial arrangement

- leasing land or properties
- leasing or purchasing properties for the purpose of reselling them to another buyer, or for the purpose of "protecting" the properties for another desirable buyer.

2. An EDIC enjoys two advantages over other private developers:

- it is directed by local people, with local knowledge of the town and its parcels, and with the best interest of the town at heart.
- it generally does not need to earn as high a rate of return as other private developers because its goals are different.

3. The EDC recommends that the EDIC could operate only in the following districts:

- |       |       |                      |
|-------|-------|----------------------|
| - LI1 | - LI  | - GI                 |
| - OP1 | - OP2 | - KC                 |
| - LB  | - PM  | - EAV, NAV, SAV, WAV |
| - SM  | - TD  |                      |

#### **IV. Other Considerations**

The following are legally mandated constraints:

1. Financing is generally accomplished without Town involvement, and the Town is insulated:

- the EDIC raises money as any other developer, by using the property to collateralize various debts.
- the EDIC can issue revenue bonds (bonds that are repaid out of the proceeds of a particular project)
- the EDIC can, under certain circumstances, raise money from the town or from the state or federal government (Municipal Incentive Grant Funds, CDBGs, etc.). Town financial involvement is voluntary and does not subject the Town to exposure on the EDIC's debts.

2. The EDIC is to be treated by the Town as any other private developer with respect to zoning rules and regulations.

3. The Economic Development Plan, which becomes the charter of the EDIC, must be approved by a 2/3 vote at Town Meeting.

4. The EDIC cannot make zoning changes on its own, and cannot use the power of Eminent Domain unless approved by a 2/3 vote at Town Meeting.

5. The Board of Selectmen appoints the EDIC's Board of Governors.